

## Microsoft MSN China top exec to leave

(Reuters) - A top executive for Microsoft Corp's MSN China will leave the joint venture, Microsoft said on Thursday, in a setback as the firm struggles to compete in China's hotly contested social networking space.

Xiao Chen, MSN China's Vice-President of sales who has been with the company since its inception, will leave at the end of March to pursue his own start-up, a Microsoft spokeswoman told Reuters.

MSN China, which was launched in 2005 with local partners, is struggling to compete against QQ, a chat messaging and social network operated by Tencent Holdings, China's most valuable Internet company.

MSN China ran into trouble late last year when its microblogging site, Juku -- created by an independent vendor -- was accused of copying another start-up. Microsoft subsequently suspended the service.

The executive's announced departure comes as major technology firms await Google's decision on whether to quit the China market, the world's largest Internet market by users at 384 million at the end of last year.

Google announced in January it may pull out of China due to censorship concerns and after it suffered a sophisticated hacking attack originating from the country.

For its part, software giant Microsoft is pinning its China hopes on search engine Bing, currently a minnow in China's 7.2 billion yuan (\$1.1 billion) search market.

As signs mount that a Google pullout may be imminent, Microsoft and local rival and search market leader Baidu Inc are set to grab its market share, analysts have said.

Microsoft said earlier this month it will stick to its strategy for China's Internet search market regardless of the outcome of Google's high-profile spat with Beijing.

Motorola Inc said last week it has reached a deal with Microsoft to put Bing search and mapping services on its phones that use Google's Android operating system.

Motorola said the partnership with Microsoft meant a Bing bookmark and search widget would be loaded on cell phones, starting in the coming weeks with phones in China.

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